

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 2/24/2015	(3) CONTACT/PHONE Dan Buckshi, County Administrative Officer 781-5011	
(4) SUBJECT Request to appoint Supervisor Lynn Compton to the Oversight Board of the Successor Agency to the former City of Arroyo Grande Redevelopment Agency. District 4.			
(5) RECOMMENDED ACTION It is recommended that the Board appoint Supervisor Lynn Compton to the Oversight Board to review and approve the activities of the Successor Agency of the former City of Arroyo Grande Redevelopment Agency.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW This item was prepared by the Administrative Office.			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Administrative Office / Dan Buckshi, County Administrative Officer  
781-5011

DATE: 2/24/2015

SUBJECT: Request to appoint Supervisor Lynn Compton to the Oversight Board of the Successor Agency to the former City of Arroyo Grande Redevelopment Agency. District 4.

## **RECOMMENDATION**

It is recommended that the Board appoint Supervisor Lynn Compton replacing former Supervisor Lynn Compton to the Oversight Board to review and approve the activities of the Successor Agency of the former City of Arroyo Grande Redevelopment Agency pursuant to Health & Safety Code Section 34179(a) (1).

## **DISCUSSION**

### **Summary of Redevelopment Dissolution Act**

All Redevelopment Agencies in the State of California, including the five Redevelopment Agencies (RDAs) in San Luis Obispo County, were eliminated on February 1, 2012 pursuant to ABX1 26 (the "Dissolution Act"). There are five (5) former Redevelopment Agencies located within the County of San Luis Obispo for which Oversight Boards were appointed including the Cities of Arroyo Grande, Atascadero, Grover Beach, Pismo Beach, and Paso Robles. The cities of Atascadero, Arroyo Grande Grover Beach and Paso Robles all elected to serve as Successor Agencies to their former RDAs to wind down the affairs of their respective Agencies. Pismo Beach elected not to become the successor to their Agency and it is up to the Governor to appoint a three person committee to act as their Successor Agency.

### **Role of Successor Agencies**

A Successor Agency is required to wind down the affairs of the former RDA by disposing of the former RDA's assets or property expeditiously and in a manner aimed at maximizing value. They are also required to prepare administrative budgets for Oversight Board approval and pay administrative costs.

Each Successor Agency's activities are subject to review and approval by an Oversight Board. The actions of the Oversight Boards will in turn be overseen by the director of the State Department of Finance and may be subject to disapproval or modification.

### **Role of the Oversight Boards and appointment of Board members**

Health and Safety Code Section 34179(a) of ABX1 26 provides that the Oversight Board will be comprised of seven political appointees from affected local taxing entities and the community that created the redevelopment agency.

The Oversight Board is generally intended to supervise the activities of the Successor Agency and ensure the former RDA's assets are distributed to the taxing entities expeditiously and in a manner that maximizes value. The Oversight Board has a fiduciary responsibility to holders of Enforceable Obligations of the former RDA and to the taxing entities that would benefit from the distribution of revenues generated by the liquidation of RDA assets.

The seven Oversight Board members are as follows:

1. One member appointed by the County Board of Supervisors;
2. One public member appointed by the County Board of Supervisors;
3. One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the redevelopment agency that is eligible to receive property tax revenues pursuant to Section 34188;
  - a. *Note: The Auditor-Controller has determined that the Library District is the largest special district in the former cities RDA's of Atascadero, Grover Beach and Arroyo Grande. The Paso Robles Cemetery District is the largest special district for Paso Robles and the Grover Street Lighting District is the largest special district for Grover Beach. Given this information, it has been determined that the Board of Supervisors have the responsibility to make the appointments to the Library District and Cemetery District.*
4. One member appointed by the Superintendent of Schools;
5. One member by the chancellor of the California Community Colleges;
6. One member appointed by the mayor for the city that created the RDA;
7. One member representing the employees of the former redevelopment agency appointed by the mayor from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

Commencing July 1, 2016, all of the Oversight Boards for the various former RDAs in a particular county will be consolidated into a single county-wide Oversight Board of specified composition.

### **Future Legislative Actions**

While redevelopment agencies have been eliminated, there will be further legislative action seeking to clarify several provisions within AX1 26. Currently, 11 new bills redevelopment bills have been introduced by the legislature. For example, Senate Bill 654 (Steinberg) is currently under consideration and, if enacted, would clarify the treatment of both Certificate of Participation reimbursement agreements and Low and Moderate Income Housing Funds. Additionally, Assembly Bill 1585 (Perez) would, among other things, clarify the treatment of Low and Moderate Income Housing Funds and former RDA employee representative appointments to Oversight Boards under Health & Safety Code Section 34179(a)(7).

### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Auditor-Controller has a substantial role under the Dissolution Act. The Auditor-Controller must conduct an audit of each former RDA's assets and liabilities, including pass-through payment obligations and the amount and terms of any RDA indebtedness and provide the State Controller's Office a copy of such audits by July 15, 2012. Additionally, the Auditor-Controller must:

- Annually determine the amount of property tax increment that would have been allocated to a RDA and deposit that amount in a Redevelopment Property Trust Fund; and
- Administer the Trust Fund for the benefit of holders of former RDA debt.

### **FINANCIAL CONSIDERATIONS**

Successor Agencies are required to prepare administrative budgets for Oversight Board approval and pay for administrative costs. The Successor Agencies annual administrative costs will be an amount up to five percent of the property tax allocated to the Successor Agency for fiscal year 2011-12 and up to three percent of the property tax allocated to the Successor Agency each succeeding fiscal year. The annual amount will not be less than \$250,000 for any fiscal year or such lesser amount as agreed to by the Successor Agency.

### **RESULTS**

According to the Dissolution Act, this suspension and prohibition of most redevelopment activities is intended, to the maximum extent possible, to preserve the revenues and assets of RDAs so that those assets and revenues that are not needed to pay for enforceable obligations may be used by local governments to fund core governmental services including police, fire protection services, and schools.